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ABSTRACT

The New York State School Boards of Association investigated how charter schools in the state were faring as they reached the fifth year in the state's charter school experiment, noting how they were educating special education students and how they had impacted public school districts in these times of financial stress. Data came from annual reports from 30 charter schools statewide, the American Federation of Teachers, the Charter Schools Institute at the State University of New York, the New York State Board of Regents, Edison Schools, and the U.S. General Accounting Office. Results indicate that demand for charter schools in New York State is waning; charter schools are not making the grade academically; special education students are underrepresented in New York's charter schools and in their annual reports; and charter schools have wreaked tremendous fiscal havoc on New York's public school districts. The report concludes that at a time when traditional public schools, which educate the majority of children in New York, are struggling to cope with a fiscal crisis that threatens to derail their success, the investment in charter schools is not justified. Recommendations to the state legislature include: provide transitional funding via the charter school stimulus fund to local districts to help them better plan and absorb the impact of a charter school established in or near the district and limit the authorization of charters to low-performing districts. (SM)

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Charter Schools: Investment in Innovation or Funding Folly?

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New York State School Boards Association

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Charter Schools:
Investment in Innovation
or
Funding Folly?

New York State School Boards Association
April 2003

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Summary and Recommendations

As the charter school experiment approaches its fifth year in New York State, many questions remain unanswered about their performance and success in educating our students. As a result, the New York State School Boards Association (NYSSBA) has undertaken a study of how charter schools in the state are faring as they reach this critical milestone. NYSSBA obtained annual reports from 30 charter schools across the state through a Freedom of Information Law (FOIL) request submitted to the Charter Schools Unit of the State Education Department in the fall of 2002.

In studying these reports, we expected to find a wealth of information that would enable us to investigate exactly *how* charter schools are serving the children of this state. However, the limited data that we actually found was quite disturbing. Overall, we were able to draw three conclusions through our research:

1. Charter schools aren't making the grade academically.
2. Special education students are underrepresented in New York's charter schools and in their annual reports.
3. Charter schools have wreaked tremendous fiscal havoc on New York's public school districts.

These issues raise an obvious question: Is New York's charter school experiment worth the costs? Our results suggest that the answer is a resounding "No!"

Therefore, NYSSBA urges the Legislature to impose a moratorium on the establishment of new charter schools until such time as the negative financial and educational impact of the current charter school law is mitigated. We urge the Legislature to take the following seven actions immediately:

1. **Provide transitional funding via the charter school stimulus fund to local school districts to allow them to better plan and absorb the impact of a charter school established in or near their district.**

2. **Differentiate between the average approved operating expense (AOE) for elementary students and the AOE for secondary students.**

3. **Hold school districts harmless for certain fixed costs, such as utilities and maintenance, which do not decline as students leave to attend charter schools.**

4. **Create a mechanism (i.e., monthly payments) to immediately recoup funds from charter schools for students who return to school districts from charter schools mid-year.**

5. **Exclude charter school costs when determining the total spending cap for a school district operating under a contingency budget.**

6. **Require that all charter applications be subject to the approval of local school boards.**

7. **Limit the authorization of charters to low-performing districts.**

Introduction

Hailing the concept as a blueprint for innovation in public education, the New York State Legislature passed the Charter Schools Act in December of 1998. The law permits parents, educators, community leaders, entrepreneurs and for-profit companies to set up publicly funded but privately operated charter schools. Charter schools are exempt from many curriculum, personnel and other requirements that apply to public schools. They are also governed by self-appointed boards instead of locally elected school boards.

The education landscape was further changed in 2001 by enactment of the federal No Child Left Behind Act (NCLB), which has made the issue of school choice a major focus of national education policy. As a consequence, the charter school debate in New York has taken on even more importance.

While NCLB is based on the concept that educational programs need to be "scientifically based," the program quality and accountability of New York's charter schools remain largely untested. However, as we approach the fifth year of this experiment, some charters will soon be coming up for renewal. Further, under the charter schools law, the Board of Regents is required to review the educational effectiveness of the charter school approach and the effect of charter schools on public and non-public school systems.[1] By December 31, 2003, the Regents must report to the governor and the Legislature with recommendations to modify, expand or terminate that approach.[2] The report must include each charter school's:

- Mission statement,
- Attendance statistics,

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[1] Education Law §2857(4).
[2] Ibid.

- Dropout rates,
- Student performance on standardized assessment tests,
- Projections of financial stability, and
- Comparisons to other public schools, where practicable.[3]

Against this backdrop, it is clear that there's no better time for us to look closely at the question of whether the promise of charter schools is being realized.

The New York State School Boards Association (NYSSBA) has conducted its own study of the evidence that exists on New York's charter schools to determine if the rhetoric matches reality. Specifically, we wanted to know:

- How are charter school students in New York State performing academically?
- How are charter schools educating their special education students?
- How have charter schools impacted public school districts in these times of financial stress?

Distilled to their basic essence, these questions are all part of a larger inquiry: Have charter schools managed to keep their end of the educational bargain in New York State?

Since the law's enactment, 56 charter schools have been authorized by the Board of Regents, the Board of Trustees of the State University of New York (SUNY), the Chancellor of New York City schools and the Buffalo Board of Education. In the 2002-03 school year, 38 charter schools were open for instruction. Sixteen more schools are slated to open by this fall. Two others asked for a year to plan and are expected to open in 2004. Nearly all of the charter schools are located in urban centers or small cities. Twenty-nine charter schools have been authorized for New York City, nine for Buffalo, four for

[3] Ibid.

Rochester, three for Albany, three for Syracuse and one each for Schenectady, Troy, Lackawanna, Kenmore-Town of Tonawanda, Riverhead, Roosevelt, Wyandanch and East Hampton. These schools serve a combined total of some 11,000 students.[4]

Under the New York Charter Schools Act of 1998, charter schools were established to accomplish the following objectives:

1. Improve student learning and achievement.
2. Increase learning opportunities for all students, with special emphasis on expanded learning experiences for students who are at-risk of academic failure.
3. Encourage the use of different and innovative teaching methods.
4. Create new professional opportunities for teachers, school administrators and other school personnel.
5. Provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system.
6. Provide schools with a method to change from rule-based to performance-based accountability systems by holding the schools established under this article accountable for meeting measurable student achievement results.[5]

Charter schools are also required to submit annual reports to both the chartering entity and the Board of Regents. These reports must include a charter school report card, a discussion of progress made toward the goals set forth in the charter, and a certified financial statement.[6] As the cornerstone of our study, NYSSBA analyzed the annual reports of 30 charter schools for 2001-02. We obtained the reports in the fall of 2002 after submitting a Freedom of Information Law (FOIL) request to the Charter Schools Unit of the State Education Department. The depth and relevance of these reports varies. While some provide detailed narratives of student performance, even including excerpts of

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[4] The Charter Schools Institute of the State University of New York, "Trustees Approve Five New Public Charter Schools," February 25, 2003. Available from World Wide Web: (http://www.newyorkcharters.org/news/releases/feb25_03.html)

[5] Education Law §2850(2).

[6] Education Law §2857(2).

student work, others provide little more than enrollment data, budgets and test scores.

We also reviewed reports and analyzed statistical data produced by various local and national media sources as well as the American Federation of Teachers, the Charter Schools Institute at the State University of New York, the New York State Board of Regents, Edison Schools, and the U.S. General Accounting Office.

Academics: Are Charter Schools Making the Grade?

"One of the more widely held expectations of charter schools is that, in exchange for administrative, fiscal and educational autonomy, they will increase student achievement," according to a report by the American Federation of Teachers, AFL-CIO.[7] In theory, this expectation seems reasonable: once freed from administrative and other restraints, charter schools would be able to provide public education in a more innovative way, thus improving student learning and achievement. However, there is little evidence to suggest that this has actually occurred. The American Federation of Teachers noted that "to date, none of the studies of student achievement in charter schools justify the conclusion that they achieve superior results compared to other public schools. Most of the research reveals mixed or negative findings."[8]

Overall, there is very little data on testing in U.S. charter schools. In New York and elsewhere, charter school legislation is relatively new, which means that the schools themselves are still in their infancy. For example, it has been just over a decade since Minnesota passed the country's first charter school law.[9] New York's own legislation is just over four years old. In a study on the effectiveness of for-profit education companies operating charter schools in the Washington, D.C. area, the U.S. General Accounting Office remarked: "Some experts claim that students will exhibit greater gains the longer they participate in a program. However, it is particularly challenging to design studies that address this claim,

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[7] American Federation of Teachers, AFL-CIO: "Do Charter Schools Measure Up? The Charter School Experiment After 10 Years" (Washington, D.C., July 2002) p. 45.
[8] Ibid., p. 56.
[9] "Charter Schools Alliance urges improvements and concern with anti-charter schools bills in the Legislature: Text of May 21 Alliance for Public Charter Schools press release," *Capitolwire.com*, May 22, 2002.

because educational companies are still a relatively new phenomenon."[10] As a result, the research that currently exists on charter schools was even described in an *American School Board Journal* article as being "scarily thin."[11] The same article went on to say that researchers are in the "'pre-Bronze age' when it comes to data to compare charters to other schools."[12]

These comments can be fairly said to characterize the situation on testing data in New York. Most of the 30 reports we studied from charter schools did contain information on student performance. However, because there was little to no uniformity across schools in terms of what tests were administered, the only results that could be compared were the state's fourth- and eighth-grade English Language Arts (ELA) and mathematics exams, which are required of all public school students. But many charter schools have not yet expanded to include those grades. Others have only been in operation for one year and therefore have only seen one test administration, the results of which are typically used as baseline data.

Fig. 1

NYS Performance Levels*

Level 1 – Serious academic deficiencies.

Level 2 – Some knowledge and skill in each of the required standards.

Level 3 – Students meet the standards.

Level 4 – Students exceed the standards.

*New York State Board of Regents: "The State of Learning: A Report to the Governor and the Legislature on the Educational Status of the State's Schools"

What we *do* know, however, falls short of demonstrating that charter school students in New York are making the grade. According to the standards set by the New York State Board of Regents, students must reach at least level 3 to demonstrate proficiency on the New York State tests (see Fig. 1). The Regents

[10] U.S. General Accounting Office: "Insufficient Research to Determine Effectiveness of Selected Private Education Companies" (Washington, D.C., October 2002) p. 12.
[11] Donna Harrington-Lueker, "Charters 10 Years In: Have charter schools delivered on their promise of reform through deregulation?" *American School Board Journal* 189 (2002): 22.
[12] Ibid.

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stated that during the 2000-01 school year, charter schools' "academic achievement, as measured by State exams, was mixed."[13] Indeed, in 2002, the Albany *Times Union* listed Albany's New Covenant Charter School as the lowest-scoring school in the Capital Region on the state's fourth-grade math test.[14] We are particularly interested in New Covenant's performance in light of the high expectations that have been pinned to the school, which has been referred to as "a miracle on Lark Street" by former principal Eleanor Bartlett.[15]

But has New Covenant lived up to its end of the bargain? The test results show a disappointing picture (see Fig. 2). On the fourth-grade math exam for

Fig. 2

Albany City School District – Grade 4 Math Exam 2002*

	% Level 1	% Level 2	% Level 3	% Level 4
School 19 (N=98)	2.00	25.50	44.90	27.60
School 18 (N=39)	2.60	25.60	53.80	17.90
School 27 (N=36)	2.80	38.90	47.20	11.10
School 16 (N=61)	3.30	26.20	44.30	26.20
Arbor Hill ES (N=83)	6.00	50.60	36.10	7.20
Thomas O'Brien Academy (N=71)	7.00	35.20	49.30	8.50
Philip Schuyler ES (N=101)	7.90	42.60	39.60	9.90
School 26 (N=33)	9.10	45.50	36.40	9.10
School 20 (N=31)	9.70	9.70	48.40	32.30
Albany School of Humanities (N=102)	13.70	28.40	44.10	13.70
Giffen Memorial School (N=67)	14.90	46.30	34.30	4.50
Montessori Magnet School (N=33)	15.20	24.20	27.30	33.30
Albany City School District (N=762)	***8.40***	***34.40***	***41.70***	***15.50***
New Covenant Charter School (N=78)	***26.90***	***41.00***	***29.50***	***2.60***

*Schools are sorted from lowest to highest percentages of students in Level 1.

[13] New York State Board of Regents: "Annual Report to the Governor, the Temporary President of the Senate, and the Speaker of the Assembly on the Status of Charter Schools in New York State in the 2000-01 School Year" (Albany, N.Y., May 2002) p. 4.

[14] Alan Wechsler, "Eighth-grade math scores on the rise," *Albany Times Union*, September 14, 2002, p. A5.

[15] Carolee Sherwood, "With overwhelming pride and gratitude, officials open new facility for charter school," *Urban Voices Online*. Available from World Wide Web: (http://www.urbanvoicesonline.com/NCCS.htm). *See also*, Travis Durfee, "Waiting for a miracle: Will Edison Schools' financial turmoil drag down Albany's controversial experiment in publicly funded, privately operated education?" *Albany Metroland*, November 21-27, 2002, p. 13.

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2002, New Covenant placed a combined 32.1 percent of its students at or above proficiency level. The Albany School District came in with 57.2 percent.

Like most other charter schools in New York, New Covenant's stated goal in mathematics is student proficiency. The school plans to achieve this by increasing the percentage of students who perform at levels 3 and 4 by 5 percent each year until 75 percent of its students are proficient. The school's report acknowledged that it still has a long way to go toward meeting this goal: "From its first year of testing [2000], fourth graders at NCCS [New Covenant Charter School] have performed below students in 'similar schools.' The most recent group of fourth graders...still lag[s] well behind the performance of the other students in the area in mathematics."

A similar story emerges at another Capital Region charter school – Troy's Ark Community Charter School (see Fig. 3). On the fourth-grade ELA exam for

Fig. 3

Troy City School District – Grade 4 ELA Exam 2002*

	% Level 1	% Level 2	% Level 3	% Level 4
PS 2 (N=40)	0	37.50	57.50	5.00
PS 18 (N=35)	0	17.10	68.60	14.30
PS 16 (N=55)	1.80	18.20	60.00	20.00
Carroll Hill School (N=52)	5.80	38.50	42.30	13.50
PS 14 (N=68)	5.90	36.80	51.50	5.90
PS 12 (N=69)	8.70	37.70	46.40	7.20
Troy City School District (N=319)	***4.40***	***32.00***	***53.00***	***10.70***
Ark Community Charter School (N=11)	***18.20***	***72.70***	***9.10***	***0***

*Schools are sorted from lowest to highest percentages of students in Level 1.

2002, for example, Ark placed only about 9 percent of its students at proficiency level – level 3 – while a whopping 72.7 percent of its students scored in the level 2 range. On the other hand, the Troy City School District on average placed a combined 63.7 percent of its students in levels 3 and 4.

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Meanwhile, in Rochester, 84 percent of fourth-graders at the Charter School of Science and Technology failed to meet proficiency on the 2002 ELA exam – an *increase* from 72 percent in 2001.[16] Not an encouraging trend.

While some charter schools have shown signs of progress, the data we studied lend strong support to the argument that many are still struggling to meet proficiency. And while the argument can be made that New York's public schools haven't experienced overwhelming successes on the state tests,[17] the fact remains that they are still bound to educate *all* students who come through their doors, regardless of ability level. And public schools continue to make gains, even as state and federal requirements combine with budgetary cutbacks to drain their limited resources.

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[16] Edison Schools: "Fifth Annual Report on School Performance 2001-2002" (2002) p. 118.
[17] Alan Wechsler, "Eighth-grade math scores on the rise," *Albany Times Union*, September 14, 2002, p. A5. For example, in 2002, the State Education Department reported that 48 percent of New York's eighth graders passed the math exam, up from 39 percent in 2001. This is certainly an improvement, but still not large-scale proficiency. And while 68 percent of fourth graders passed the math exam, this is still a 1.5 percentage-point *drop* from 2001.

Special Education

One of the criticisms often leveled against charter schools is that, unlike public schools, they aren't compelled to educate *every* child. In the 2000-01 school year, nearly 12 percent of New York's more than 3.4 million schoolchildren were classified as disabled.[18] That's over 406,000 children with special needs – and educating all of them is a very worthwhile, and expensive, enterprise. For example, a 2002 report by the Citizens Budget Commission noted that New York City alone serves about 168,000 special education students – at an annual cost of $18,919 per pupil, or $3.2 billion overall.[19] And the costs show no signs of abating.

Our study found that charter schools generally enroll a smaller percentage of special needs students per school than do the school districts in which they are located.[20] For example, *The Buffalo News* has reported that special education students make up only 5 to 6 percent of Buffalo's charter school enrollment.[21] In sharp contrast, special education students constitute 22 percent of the city's public school enrollment.[22] The article noted that most of the special education students in five of the city's charter schools have mild disabilities, such as speech and language problems, while "about half the students with more severe physical or behavior problems who initially enrolled in charter schools have already returned

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[18] Vocational and Educational Services for Individuals with Disabilities, New York State Department of Education: "2002 Pocketbook of Goals and Results for Individuals with Disabilities" (Albany, N.Y., June 2002) p. 23.
[19] Citizens Budget Commission: "10 Myths About Balancing New York City's Budget and 5 Ways to Lower the Cost of Government by $1 Billion Per Year" (December 7, 2002) p. 15.
[20] *See also,* American Federation of Teachers, AFL-CIO: "Do Charter Schools Measure Up? The Charter School Experiment After 10 Years" (Washington, D.C., July 2002) pp. 15-16, 77-78.
[21] Peter Simon, "Fewer special-education students in charter schools," *The Buffalo News*, November 7, 2002.
[22] Ibid.

to city schools."[23] Because the cost of services for special education students far exceeds the cost for regular students, the city is bracing for huge cost increases at a time when it is under tremendous fiscal stress.

This is also a problem in the Albany City School District. According to former Superintendent Lonnie Palmer, the city's three charter schools – New Covenant, Brighter Choice Charter School for Girls and Brighter Choice Charter School for Boys – serve a far smaller percentage of disabled students than does the district. Palmer said that roughly 21 percent of the district's children are special education students. About 65 (8.7 percent) of New Covenant's 750 students are disabled. And at the Brighter Choice schools, four out of 90 students are special education pupils – certainly not close to the district's 21 percent figure, Palmer said. And, as in Buffalo, Albany's charter schools are sending the most difficult-to-educate special education students back to the public schools. "In its first year, New Covenant had about 80 special education students. That number dropped to about 23 by the end of the year," said Palmer. What's happening? "The principals will say that we have to take them back because they're having discipline or academic problems in the charter schools or that the charter schools don't have the programs for these children," he said.

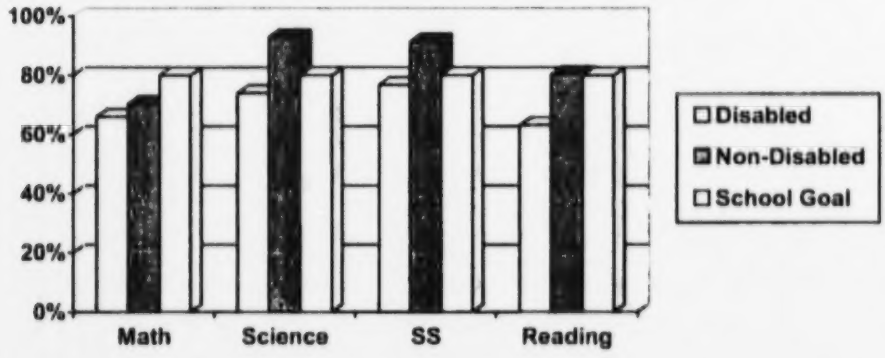
Information on special education students was strikingly absent from the vast majority of the charter school reports NYSSBA studied. While each report listed the number of students with an individualized education program (IEP), only two schools – the Rochester Leadership Academy and the Child Development Center of the Hamptons Charter School (CDCH) – included more detailed narrative information on their IEP students. In 2001-02, the Rochester

[23] Ibid.

Leadership Academy reported that out of 343 students, 30 had IEPs. Special education students in grades two through eight were tested in reading and math using the Metropolitan Achievement Test. In reading, the school reported gains in grades three, four and six, while noting a loss in grade five.[24] On the math test, gains were made in grades four and six, but grades three, five, seven and eight showed losses. While acknowledging that the results "indicate a serious need for additional support in math," the school pointed out that, overall, it is "encouraged by the significant gains our special education students have made and [we] will continue to strive toward their success in all areas."

In 2001-02, CDCH served 46 students, 25 of whom had IEPs. Figure 4 details the status of CDCH's special education students as compared to the rest of the student population. The percentages represent the level of mastery attained by students in math, science, social studies and reading/language arts, with 80 percent being the goal set by the school for all of its students.

Fig. 4



These results show that, except for math, CDCH's overall student population is meeting its goal of 80 percent mastery. While they do come close in social

[24] Both grades two and eight showed losses as well, but each had only one student.

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studies (76.7 percent), the school's disabled students are missing the mark – most noticeably in reading/language arts (63.1 percent).

But is this the whole story? Is the performance of CDCH's special education students the norm or is it an anomaly? Are Rochester Leadership Academy's special education students typical of those in the rest of New York's charter schools? As previously noted, the charter school reports we received contained little information on their special education students, leaving these questions unanswered.

Fiscal Impact

How do charter schools affect public school finances? Significantly, our research reveals. The Board of Regents has estimated that public school districts made payments of over $39 million to New York's charter schools in 2000-01.[25] Charter schools are funded by public tax dollars that pass through the student's school district of residence. In 2002-03, payments ranged from $6,765 per student in Syracuse to $9,668 per pupil in Riverhead.[26] We have estimated that this year, school districts will send more than $80 million to charter schools.[27]

For each student enrolled in a charter school, the law requires the school district of residence to pay the charter school 100 percent of the district's prior year average approved operating expense (AOE) per pupil. AOE is the money spent in the previous year for the general operation of the school district, excluding debt service, capital building expenses, transportation costs and certain other expenses, such as tuition payments to other school districts, specifically designated by the commissioner of education.

However, this funding formula bears no relation to the true cost of educating students. It assumes that public school expenditures are spread equally among all students and that the sending school will save that amount for each

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[25] New York State Board of Regents: "Annual Report to the Governor, the Temporary President of the Senate, and the Speaker of the Assembly on the Status of Charter Schools in New York State in the 2000-01 School Year" (Albany, N.Y., May 2002) p. 15.

[26] New York State Education Department, State Aid Unit: "Final 2002-03 and Preliminary 2003-04 Adjusted Expense Per Pupil To Be Used By Public School Districts With Resident Students Attending Charter Schools." Available from World Wide Web: (http://stateaid.nysed.gov/charter_2003.htm)

[27] The Regents Annual Report (see footnote 25) projected that the average adjusted expense per pupil (AEP) for 2001-02 would be $7,551. By multiplying that figure by 11,000 (the approximate number of students in New York's charter schools [see page 5]), we arrived at an estimated cost of at least $80 million for 2002-03.

student sent. While the State Education Department does not maintain such data, we do know that a number of children who attend charter schools were previously enrolled at private or parochial schools. These are children for whom school districts have had no previous financial obligation. When a student transfers to a charter school from a private or parochial school, the cost imposed on a school district is an entirely new expense.

Further, even though special education costs are included in AOE, the district must still provide special education services or pay the charter school separately to provide them. School districts will continue to educate the large majority of special education students, including those with the most severe disabilities, but pay charter schools as if they were doing their share.

In reality, it usually costs more to educate a high school student than an elementary school student. Proposed charter schools tend to focus on serving primary-grade students, however. It is a source of profit for charter schools to receive 100 percent of AOE, which is based on costs for all students, especially when they are open only to students in an age range that is relatively inexpensive to serve. Of the 30 charter schools we studied, only two included grades 9-12, accounting for only 374 of the state's 780,000 public high school students in 2000-01. One school served grades K-9, while the vast majority (27 schools) served some combination of grades K-8.

School districts must also provide transportation to charter school students to the same extent that it is provided, by law and district policy, to nonpublic school students who reside in the district. Districts must also provide funds for library materials, textbooks and computer software. Because most school district expenses are fixed (including maintenance, utilities, legal, insurance, and

extracurricular activities costs), savings cannot be realized when a child leaves a district school for a charter school.

In May 2002, *Newsday.com* reported that in Buffalo, charter school transfer payments cost the city school district about $20 million – "nearly half the $42 million budget gap looming next year."[28] Buffalo school officials argue that the state's charter school law is also "robbing" the city's teachers, programs and materials, the article noted.[29]

Buffalo's fiscal problems are a cause for concern for the Board of Regents, which recently approved the Pinnacle Charter School. Buffalo Regent Arnold B. Gardner objected, saying, "This troubles me very much...This is a school district that is starved to begin with, laying off teachers, and cutting programs."[30] To add to Buffalo's financial woes, two additional charter schools have since been authorized.

In Syracuse, the city's two charter schools drained more than $4 million in state aid from the district this year, according to Robert Peters, the district's Chief Financial Officer.[31] Peters estimates another $1.1 million will be lost when a third charter school opens in September 2003.[32]

Must our students suffer the elimination of programs and staff as part of the price for the charter school experiment? Many argue that this is precisely the price that charter schools are extracting from our public school districts. In light of such concerns, which have reverberated throughout the state, NYSSBA

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[28] "Charter schools debated," *Newsday.com*, May 2, 2002.
[29] Ibid.
[30] New York State School Boards Association, "Regents exceed fiscal pain threshold in approving Buffalo charter school," *On Board*, January 13, 2003, p. 5.
[31] Maureen Nolan, "Charter School Moratorium Sought," *The Post-Standard (Syracuse)*, February 16, 2003.
[32] Ibid.

compiled the data in Figure 5 during an informal telephone survey of school districts from different regions around the state.

Fig. 5

Fiscal Impact of Charter Schools on School Districts*

District	Number of charter schools 02-03	Number of charter school pupils 02-03	Cost to district 02-03	Projected number of charter schools 03-04	Projected number of charter school pupils 03-04	Projected cost to district 03-04
Albany City School District	3	839	$6,800,000	3	975	$7,700,000
Buffalo City School District	6	1,500	$17,500,000	10	3,000	$23,700,000
Lackawanna City School District	1	184	$1,498,000	1	230	$1,600,000
Riverhead Central School District	1	127	$1,400,000	1	200	$2,000,000
Rochester City School District	4	1,749	$15,300,000	4	2,081	$17,900,000
Schenectady City School District	1	246	$2,300,000	1	425	$3,500,000
Syracuse City School District	2	667	$4,500,000	N/A	N/A	N/A
Troy City School District	1	106	$950,000 (budgeted)	1	106	$1,000,000

* NYSSBA, Informal Telephone Survey, February – April, 2003.

Conclusion

There is evidence that the demand for charter schools in New York State is waning.[33] In 1999, the first year the state's charter school legislation was in effect, more than 100 applications were submitted to the state for authorization to open new charter schools. In the fall of 2000, 95 applications were submitted to SUNY, according to the *Wall Street Journal*.[34] However, during the latest review cycle, SUNY's Charter Schools Institute received only 10 applications. Is this decrease a trend? Is interest on the decline and, if so, why?

In his proposed Executive Budget for 2003-04, Governor Pataki calls for an overall ***$1.24 billion cut*** in state aid to public schools – a loss of 8.5 percent.[35] Earlier projections estimated that it would take at least ***$1.3 billion*** in state aid for 2003-04 to enable public schools to continue at present levels of programs and services.[36] New York's public schools are indeed facing a fiscal crisis.

In the face of this crisis, New York's charter schools will cost our public school districts more than $80 million in 2002-03.[37] Proponents of charter schools insist that accountability includes a responsibility to show academic improvement for the money spent. But has the investment been justified? At a time when traditional public schools, which educate the majority of children in this state, are struggling to cope with a fiscal crisis that threatens to derail their success, we conclude that it has not.

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[33] Robert Tomsho, "Charter-School Movement Sputters," *Wall Street Journal*, January 21, 2003.
[34] Ibid.
[35] Education Unit, New York State Division of the Budget: "Description of 2003-04 New York State Executive Budget Recommendations for Elementary and Secondary Education" (January 29, 2003) p. 1.
[36] Office of the New York State Comptroller: "2003-2004 Budget Analysis: Review of the Executive Budget" (February 11, 2003) p. 32.
[37] The Regents Annual Report (see footnote 25) projected that the average adjusted expense per pupil (AEP) for 2001-02 would be $7,551. By multiplying that figure by 11,000 (the approximate number of students in New York's charter schools [see page 5]), we arrived at an estimated cost of at least $80 million for 2002-03.

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